

Scheme of Integrated Handloom Village Development was introduced in the year 1991-92 under which a sum of Rs. 24.35 lakhs had been released to the Government of Uttar Pradesh covering 2 villages.

(iv) **Market Development Assistance** : This Scheme provides assistance to Primary Societies including Handloom Corporations, Apex Societies to meet the expenditure on interest subsidy, rebate/discount and other consumer incentives on Non-Janata Handloom products, Capital/ Margin Money for setting up of showrooms and various other purposes approved by the State/Central Government. A sum of Rs. 415.56 lakhs has been released to Government of Uttar Pradesh, out of which Rs. 15.87 lakhs was released in favour of Primary Societies.

(v) **National Design Collection Programme** : In order to obtain better designs and their sale through special exhibitions and related publicity efforts, Government of Uttar Pradesh had been provided a sum of Rs. 1.75 lakh in 1995-96 under National Design Collection Programme.

(vi) **Margin Money for Destitute Weavers** : Under this Scheme co-operative societies who have atleast 50% of Destitute Weavers and if the society is running in profit for the last two years and also having marginal losses not more than 10% of the turn-over are eligible to get assistance @ Rs. 2,000/- per destitute weaver subject to a maximum ceiling of Rs. 1.00 lakh per society. During 1995-96, a sum of Rs. 47.53 lakhs was released to Government of Uttar Pradesh.

(vii) **Group Insurance Scheme** : Government of India has introduced this Scheme for Handloom Weavers from the Year 1992-93 in order to meet socio-economic obligation of weaver towards his family and the uncertainty of his working capacity in old age. Under the Scheme, a weaver is provided an Insurance cover of Rs. 10,000/- for an annual premium @ Rs. 120/-. The premium is shared equally between the beneficiary, the Central/State Governments. During 1995-96, a sum of Rs. 10.00 lakhs was provided to Uttar Pradesh Government.

(viii) **Thrift Fund Scheme** : This Scheme provides a measure of social security to the weavers by envisaging creation of a fund in the nature of provident fund. Weavers are required to contribute 8% of their wages to the funds and both the Central and State Governments contribute 4% each. During 1995-96, a sum of Rs. 22.50 lakhs was released to Government of Uttar Pradesh.

(ix) **Workshed-cum-Housing Scheme** : The objective of the Scheme is to provide a dwelling unit and suitable work place to weaver to improve their productivity and earnings. Under the Scheme, the estimated cost of Rural House-cum-Workshed is Rs. 20,000/- for which a Central subsidy of Rs. 14,000/- is provided and of Urban House-Cum-Workshed is Rs. 30,000/- for which also the same amount of Central subsidy is made available. For worksheds the unit cost is Rs. 5,000/- for which Central Government provides a subsidy of Rs. 4,000/-. During 1995-96 a sum of Rs. 100.00 lakhs was released to Government of Uttar Pradesh.

(x) **Janata Cloth Scheme** : Under this Scheme, subsidy is provided @ Rs. 3.40 per sq. mtr. on production and thereafter on deliveries of Jananta Cloth. In Uttar Pradesh,

subsidy is provided to U.P. Handloom Corporation and UPICA. A sum of Rs. 425.47 lakhs was released in favour of Uttar Pradesh Industrial Cooperative Association.

(xi) **Hank Yarn Price Subsidy Scheme** : In the wake of unprecedented hike in prices of yarn, the above scheme was introduced under which a subsidy @ Rs. 20/- per kg. was granted to handloom organisations. A sum of Rs. 229.86 lakhs was released during 1995-96 to Government of Uttar Pradesh. Out of which Rs. 108.55 lakhs was released to Uttar Pradesh Industrial Cooperative Association (UPICA).

Foreign Investment

46. **SHRI DATTA MEGHE** : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have offered an open invitation for foreign investment in the country,

(b) if so, the details thereof ;

(c) whether any other country has asked India or Indian industrialists abroad for investment in their country ; and

(d) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d) The role of Foreign Direct Investment as a means to support domestic investment for achieving a high level of economic development is well recognised. Increasing the inflow of FDI into the country has been an important cornerstone of the economic reforms programme with the objective of moving India rapidly into the global economy, making Indian industry internationally competitive, ensuring optimal utilisation of human and natural resources and transforming India into a major partner of developed and developing nations. With these objectives in view, Government of India encourage foreign investment in India. Similarly other countries also have their programmes and they also encourage foreign investment in their countries where industrialists including from India could avail of available opportunities.

Fraud in Insurance Claims

47. **SHRI PAWAN DIWAN**
SHRI MOHAMMAD ALI ASHRAF FATMI

Will the Minister of FINANCE be pleased to state:

(a) whether the persons involved in the fraud insurance claims cases during 1994 and 1995 could not be punished as no action was taken against them;

(b) if so, the reasons therefore in each case;

(c) the number of cases handed over to C.B.I. out of them; and

(d) the steps the Government propose to take to prevent fraud insurance claims ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir. It has been reported by the

Life Insurance Corporation of India and the General Insurance Corporation of India that necessary action has been initiated against the persons involved in fraudulent insurance claims detected during the years 1994 and 1995.

(b) Does not arise.

(c) Eight cases have been referred to the Central Bureau of Investigation.

(d) Whenever instances of fraudulent insurance claims come to light, investigations are carried out by the concerned departments in consultation with Vigilance Departments of respective companies/Corporations and necessary action is initiated. Regular audit is conducted by Internal Audit Departments to check occurrence of such frauds. CBI is informed when outside parties are involved. If any connivance of insurance employees is noticed, disciplinary proceedings are initiated. The vigilance activity of the Insurance Corporations/Companies are monitored at the Board level of the Corporations/Companies as well as at Ministry's level also. These measures help to a large extent, in preventing corrupt practices in the Insurance Companies/Corporations.

[English]

Frauds in Canara Bank

48. SHRI JANG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to state

(a) whether the attention of the Government has been drawn to the newsitem captioned "Bedi brothers find lakhs missing from bank account" appearing in the *Times of India* dated December 21, 1996;

(b) if so, whether five cheques amounting to Rs. 9 lakh were cashed by someone from Canara Bank's Rajouri Garden Branch, New Delhi;

(c) if so, the manner in which five cheques were cashed one after the other on forged signatures and the bank authorities failed to check the fraud;

(d) whether any departmental enquiry or police complaints have been made by the bank authorities;

(e) if so, the details thereof; and

(f) if not, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Yes, Sir.

(c) to (f) Canara Bank has reported that the five cheques were from the cheque book issued to the account holder and the signatures appearing in the cheques appear to tally with the specimen signature lodged with the bank. All the five cheques were paid across the counter in good faith without any negligence on the part of the bank. The bank has reported that even though statements of account were regularly made available to the account holders, the alleged fraud was brought to the notice of the bank only when the bank pointed out that in one subsequent cheque the seal of the account holder was not affixed. The internal

investigations conducted by the bank did not reveal any staff involvement. The bank has also reported that it got the signatures examined by a hand writing expert who confirmed pictorial similarity in these signatories i.e., forgery in the signature cannot be detected by a layman without scientific analysis/aid of magnifying lens.

Since the party had filed a police complaint and FIR has already been registered, the banks has not filed a separate police complaint in the matter.

Foreign Exchange Regulation Act

49. SHRI G.A. CHARAN REDDY :
SHRI SUDHIR GIRI :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to replace Foreign Exchange Regulation Act (FERA) with a comprehensive, progressive legislation covering all aspects of money laundering in view of liberalisation;

(b) if so, the details thereof; and

(c) the time by which the new legislation is likely to be brought forward ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) Major changes in FERA were carried out *vide* Foreign Exchange Regulation (Amendment) Act, 1993 (29 of 1993). However, a comprehensive review of FERA is currently being undertaken and further changes, if necessary, may also be considered.

With regard to legislation on money laundering, a Bill may be moved in Parliament in the ensuing Budget session.

IDBI Loan to GSECL

50. SHRI SATYAJITSINH DULIPSINH GAEKWAD :
SHRIMATI BHAVNABEN DEVRAJBHAI CHIKHALIA :

Will the Minister of FINANCE be pleased to state:

(a) whether Gujarat State Electricity Company Limited has sought a loan of Rs. 600 crores from Industrial Development Bank of India for the two power projects;

(b) if so, the details thereof; and

(c) the decision taken thereon ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). The Industrial Development Bank of India (IDBI) has reported that Gujarat State Electricity Corporation Limited (GSEC) has approached it for a term loan for setting up two coal based power plants. IDBI is examining the proposal.

Small Scale Industries

51. SHRI AYYANNA PATRUDU : Will the Minister of INDUSTRY be pleased to state: